

## Market Intelligence

*Picks-and-Shovels of the AI Agent Economy*

March 31, 2026

- We view the real AI agent opportunity in crypto as infrastructure: the wallets, payment rails, and settlement layers that let autonomous software transact at scale.
- Value capture is unlikely to be uniform across the stack, so we provide a framework that has three layers: 1) the foundational rails, 2) the coordination layer, and 3) the integrity layer.
- TAO, VIRTUAL, and VVV represent distinct points of value capture across decentralized intelligence, agent coordination, and tokenized inference.

### Executive Summary

NVIDIA's GPU Technology Conference (GTC) 2026 took place on March 16-19 and reinforced that artificial intelligence (AI) is moving toward inference, reasoning, and persistent agents. In our view, that **will make crypto infrastructure more economically relevant**. If autonomous software is going to transact, hire services, and settle value at scale, then it will need wallet, payment, and coordination rails built for machines rather than for humans.

We think the most defensible value pool sits in the foundational rails. Things like stablecoins, settlement layers, x402-style open payment standards, and wallet infrastructure are poised to monetize recurring machine activity. Indeed, early usage data already points to traction here.

Higher up the stack, coordination and integrity offer differentiated but higher-beta token exposure. For example, [VIRTUAL](#) maps to service discovery and agentic commerce; [TAO](#) maps to decentralized intelligence infrastructure; and [VVV](#) adds a third expression of value capture through tokenized inference.

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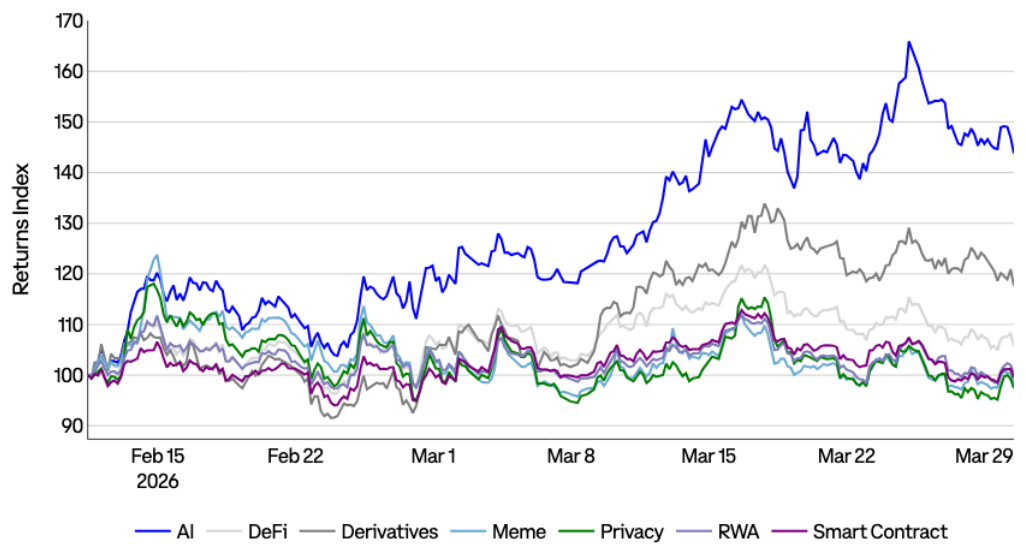
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## The Real Opportunity is Infrastructure

[NVIDIA's GTC 2026](#) put artificial intelligence back in the spotlight, but the bigger takeaway was a structural shift in the narrative. NVIDIA centered the event on agentic AI, inference, and AI factories, with more than 700 sessions focused on those themes and on the infrastructure needed to run always-on AI systems at scale.

**We think that shift makes crypto's wallet, payment, and coordination rails more economically important.** It also helps explain why crypto AI tokens rallied around the event: investors are increasingly trying to price the downstream infrastructure that autonomous software will need to transact, coordinate, and create value. In our view, the right way to frame the crypto AI theme is less about AI enthusiasm, and more about the financial and coordination layer that autonomous software will require.

**Chart 1: AI significantly outperforms all other sectors**



Sources: Coinbase

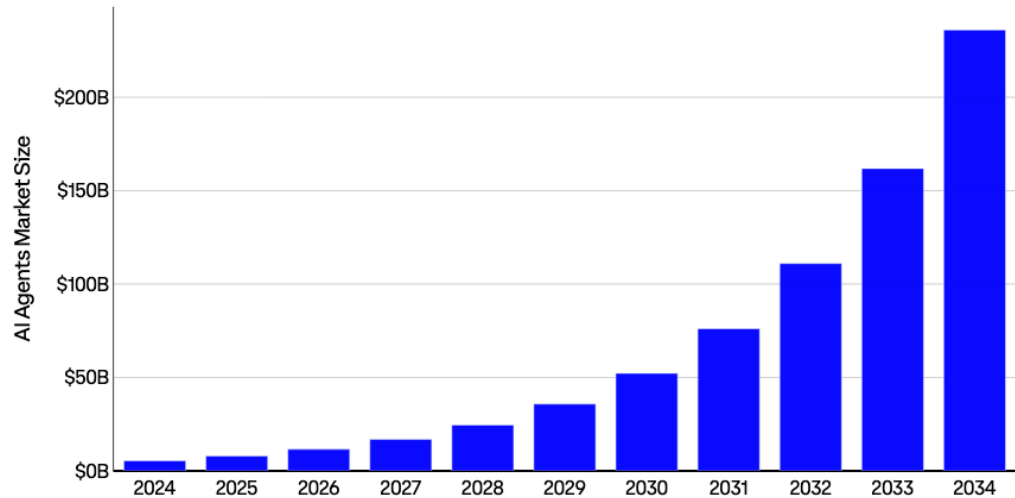
## Why Agents Need Crypto

**Agentic AI matters for crypto because it creates a new class of economic actors, and those actors cannot function at scale on legacy financial rails.**

Large language models and multi-agent systems can already reason, plan, write software, call tools, and coordinate workflows, but they remain economically incomplete unless they can also hold assets, make payments, escrow value, and settle obligations without a human. An agent may be able to architect an application, but it still cannot independently buy cloud compute, pay for real-time data, compensate a specialized sub-agent, or settle a revenue split unless someone intervenes on its behalf. That is the

real “last mile” problem of AI. It is also why the theme is larger than what crypto markets are currently pricing. Precedence Research projects the global AI agent market to reach [\\$236 billion by 2034](#).

**Chart 2. AI agent market cap could reach \$236B by 2034**



Sources: Precedence Research

**Crypto’s edge is architectural.** Traditional financial infrastructure is built around physical identity, institutionally approved onboarding, asynchronous settlement, and human account ownership. Autonomous software has none of those properties. It does not have a passport, a legal address, or a merchant account, and waiting days for batch processing to clear can make workflows non-viable. Public blockchains, smart accounts, stablecoins, and cryptographic proofs solve that mismatch because they provide globally accessible accounts, deterministic rule enforcement, tamper-evident audit trails, and settlement at internet speed. In practical terms, crypto gives software the ability to become a first-class economic participant.

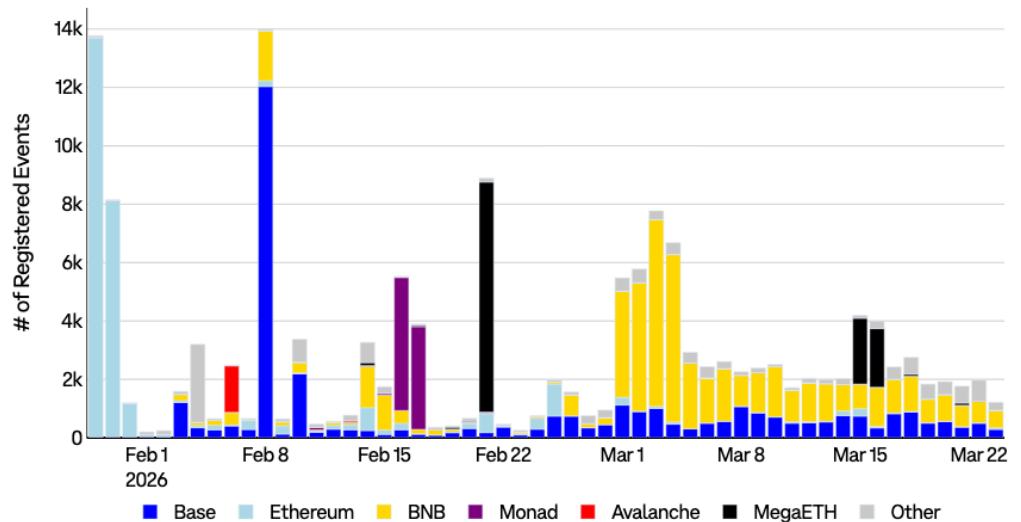
**Machine-native wallets are the first non-substitutable primitive because they let software own and control capital directly under programmable constraints.** Moreover, rational software agents actively select crypto rails over legacy TradFi rails. In a [Bitcoin Policy Institute experiment](#) spanning 9k+ controlled scenarios across 36 frontier models, 91% chose digitally native money over fiat. Bitcoin was the most-selected instrument overall at 48%, while stablecoins were chosen in 33% of total responses and dominated the transactional use cases. That pattern is intuitive: hard, bearer assets are attractive for long-term value preservation, while stablecoins are better suited for high-velocity commerce.

Consequently, we think **stablecoins are likely to become the transactional money layer for agents because they solve the velocity problem that legacy rails cannot.** Traditional card rails are too slow and expensive for machine commerce. A network that charges [2.9% plus \\$0.30 per transaction](#) cannot support an agent that needs to query external services thousands of times per hour at fractions of a cent per call. That is where the [x402 standard](#), started by Coinbase and Cloudflare, comes into play. By reviving HTTP 402 "Payment Required," x402 turns API requests into machine-readable payment flows: a server quotes price, asset, chain, and destination; the agent signs the transaction and retries the request with proof of payment. That removes subscriptions, user accounts, and API-key gatekeeping and replaces them with deterministic, pay-per-use settlement.

**Escrow and deterministic settlement are the second major edge because agents need mathematical certainty when they hire each other.** Once AI systems start orchestrating multi-step workflows, they need a trust model. For example, if Agent A hires Agent B to scrape data, run an analysis, or audit code, how does Agent A guarantee delivery before releasing funds, and how does Agent B guarantee payment after doing the work? Smart contract-based escrow solves that problem. This is why protocols such as [Virtuals' Agent Commerce Protocol](#) (ACP) are structurally important: they let agents negotiate jobs, lock funds, verify outputs, and release payments through deterministic state transitions rather than through social trust or centralized arbitration. In an agent economy, escrow is not an optional feature, but it is the basis of machine-native contracting.

**Reputation and attestations are not optional because a permissionless agent economy is otherwise immediately vulnerable to Sybil abuse.** If the cost of spawning an agent is close to zero, then the cost of spawning thousands of low-quality, manipulative, or extractive agents is also close to zero (a.k.a Sybil abuse). A functioning machine economy therefore needs persistent, verifiable identity and reputation. This is where decentralized identifiers, verifiable credentials, and onchain registries matter. **ERC-8004 support** was enabled for registered agents, explicitly establishing a portable onchain identity and reputation layer where reviews and ratings can be attached directly to agents. Over time, we think that sort of architecture should allow trust to become portable and machine-readable across ecosystems.

**Chart 3. ERC-8004 Trustless Agents Register Events**



Sources: Dune(@hashed\_official) and Coinbase

**Permissionless service discovery is the final missing layer because agents cannot scale economically if every integration has to be hard-coded.** A real machine economy requires agents to discover capabilities, endpoints, pricing, and counterparties dynamically. That is where [Coinbase's x402 Bazaar](#) and ACP come into play. The x402 Bazaar is a machine-readable catalog for payable APIs and agent-discoverable services, while ACP requires agents to register profiles, define job offerings, and expose resources before they can be found and used by others. This is effectively a "TCP/IP moment" for agent commerce: the market is moving away from bespoke, one-off integrations and toward shared discovery, negotiation, and settlement standards. An agent should be able to query a registry, find a specialist service, inspect its interface, negotiate a fee, fund an escrow, and execute the task without human intervention.

### The Investable Stack

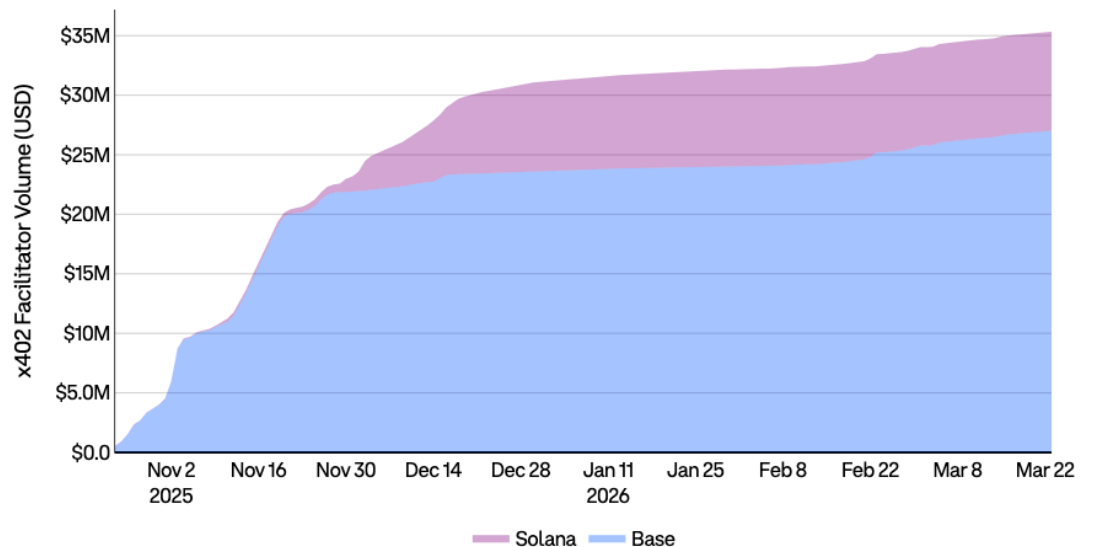
**We view the AI agent stack as three different investment buckets with different monetization timelines, defensibility profiles, and token-capture mechanics.** We distinguish between 1) the foundational rails, 2) the coordination layer, and 3) the integrity layer.

#### A. Foundational: payment and wallets

**The payment-rails layer is the most immediate, monetizable, and structurally defensible part of the theme because every agent economy needs money movement.** This layer includes high-throughput blockchains,

stablecoins, x402-style protocols, and wallet infrastructure built on account abstraction. Base and Solana are natural environments for this activity because sub-cent fees and high throughput make micropayments feasible, while [USDC](#) has effectively emerged as the reserve asset of the machine economy. Base, however, appears to be showing earlier traction in machine-native payments, with cumulative x402 transaction volumes already more than triple those on Solana (Chart 4). [Coinbase Developer Platform's Agentic Wallets](#) make the thesis concrete: autonomous spending, trading, and API payments are now offered as wallet infrastructure.

**Chart 4. Cumulative x402 transaction volumes on Base are over triple that of Solana**



Sources: Dune(@dune) and Coinbase

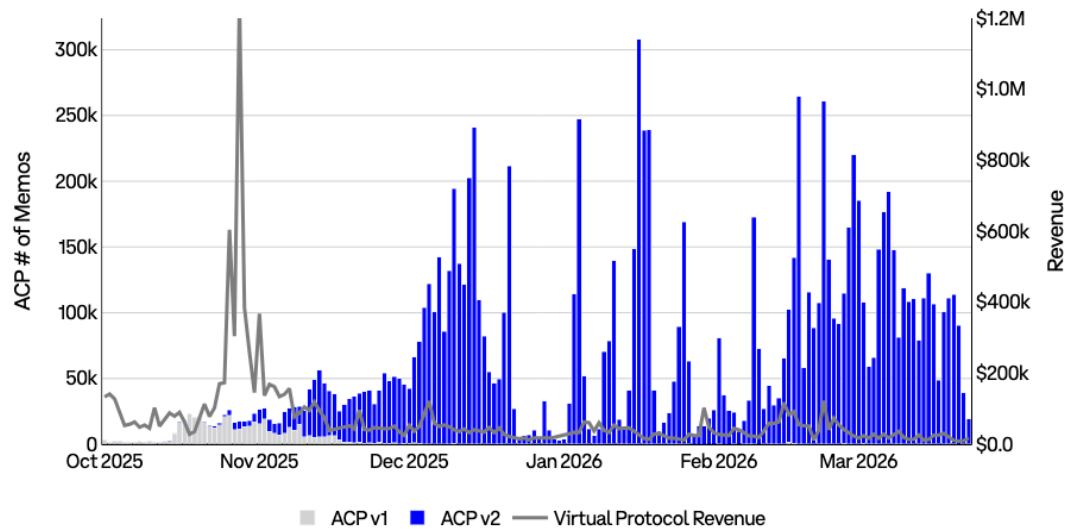
## **B. Coordination: service discovery and agent marketplaces**

**The next investable layer is service discovery and coordination – the infrastructure that lets agents find, evaluate, and pay each other.** Wallets and stablecoins enable payment, but they do not solve the routing problem. Agents still need registries, schemas, job descriptions, capability manifests, and marketplaces that make services discoverable and interoperable. Coinbase's x402 Bazaar and ACP are early examples of this layer becoming real. They function less like social networks and more like machine-native app stores or service routers, where paid capabilities can be surfaced and consumed permissionlessly.

In our view, **the VIRTUAL token fits most naturally as a public-market expression of the marketplace and coordination layer.** Virtuals sits at the intersection of agent creation, tokenization, and agent-to-agent commerce. [GAME](#) supplies the decision layer, [ACP](#) supplies the commerce and

orchestration layer, and VIRTUAL functions as the base asset for agent-token liquidity, the routing currency for purchases, and the transactional currency for parts of the onchain agent economy. Every agent token is paired with VIRTUAL, launches require VIRTUAL, and standard launches use a [100 VIRTUAL](#) setup cost with graduation mechanics tied to further VIRTUAL accumulation. That makes VIRTUAL more economically grounded than a pure narrative token, but still more reflexive than the foundational rails because adoption depends heavily on ecosystem participation, launch activity, and user attention.

**Chart 5. Virtual Protocol revenue and number of ACP memos**



Sources: Dune(@hashed\_official), DefiLlama and Coinbase.

### C. Integrity: verifiable execution and trusted inference

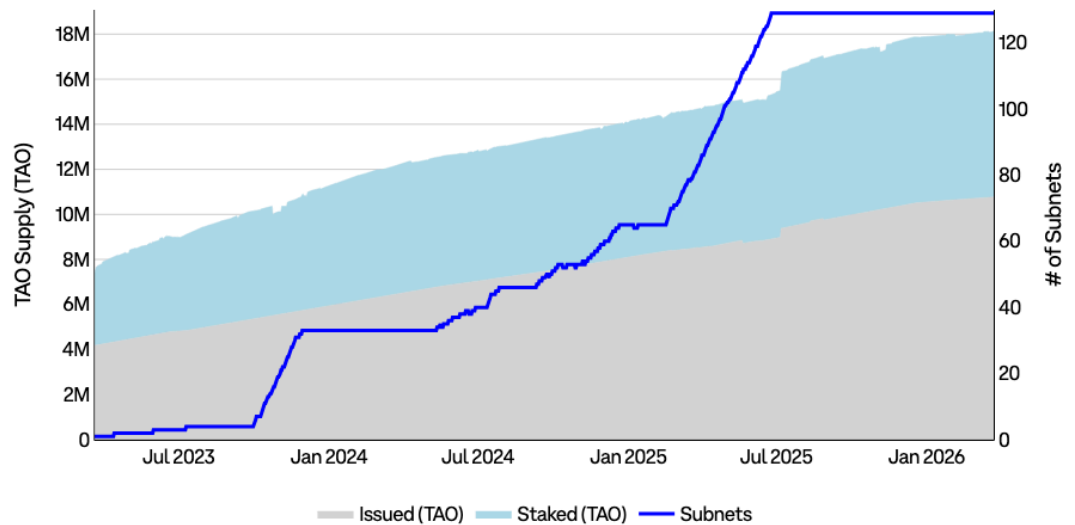
**The integrity layer is where crypto solves a harder but potentially more defensible problem: proving that agents actually executed the work they claim to have done.** Payments are only half the story. If an agent is making high-stakes decisions, running proprietary models, or coordinating sensitive workflows, users and counterparties need to know whether the output really came from the claimed model, whether it ran in a trusted environment, and whether the results were manipulated. This is the “verifiability trilemma”: privacy, correctness, and low latency are difficult to achieve simultaneously. The reason this matters for investors is that trustworthy AI is not just a model problem; it is an incentives and infrastructure problem.

**TAO is a strong public-market expression of this integrity layer because Bittensor is increasingly a capital-allocation network for decentralized intelligence.** The November 2025 shift to **flow-based emissions** (“[Taoflow](#)”) is the key structural change. Emissions are now directed

according to net TAO inflows across subnets rather than simply reflecting token-price reflexivity, which means subnet competition is tied more directly to actual capital allocation and sustained staking demand. That makes TAO more like a programmable asset for directing value toward the most compelling decentralized AI subnets.

Recently, [Covenant-72B](#) provided a powerful case study for this: the model was trained from scratch at 72B parameters on roughly 1.1T tokens with 20+ globally distributed participants coordinated through decentralized infrastructure on Bittensor, making it one of the clearest demonstrations to date that permissionless, non-whitelisted coordination can produce large-scale AI systems. That does not by itself solve trusted inference, but it does show that Bittensor is evolving from an abstract incentive network into real decentralized AI production infrastructure.

**Chart 6. TAO issuance, staking, and subnet growth**



Sources: taostats and Coinbase.

### Who Captures Value?

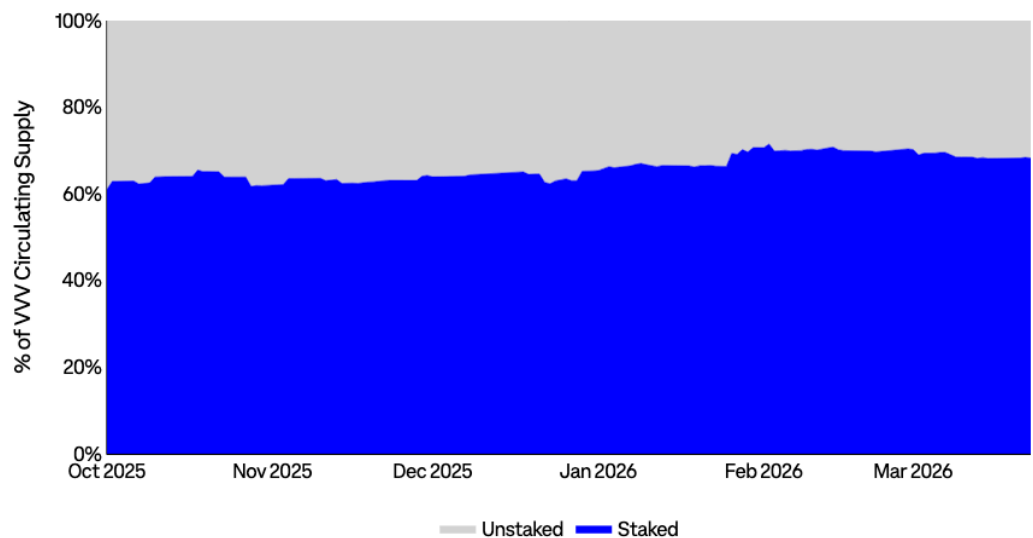
For investors, we think the key question is not “which AI token is best?” but “where in the stack does value actually pool, and who keeps it?” **Toll roads are the most defensible because they monetize recurring machine activity rather than human speculation.** Stablecoin issuers, settlement layers, wallet middleware, and payable API infrastructure capture fees on large transaction volumes. Their value proposition is usage, not social momentum. This is why the rails layer likely matters more than most people assume: if the agent economy becomes real, the first large, non-speculative value pools are more likely to appear in systems that settle and route machine commerce than in the speculative app-layer tokens. [NVIDIA's GTC messaging](#) only reinforced that. By shifting the industry conversation toward

inference, reasoning, and long-running agents, GTC effectively validated the *demand side* of the machine economy. We think crypto's role is to supply the financial substrate that such agents need in order to transact.

From a token perspective, TAO and VIRTUAL map cleanly to the integrity and coordination layers discussed above, but **Venice's VVV token adds a third expression of value capture centered on tokenized inference**. Users can stake VVV, lock staked VVV to mint [DIEM](#), and use DIEM as a tokenized stream of API credits. That makes VVV different from a typical governance or narrative token. It is designed as a claim on access to Venice's inference layer. Venice's API is [OpenAI-compatible](#), supports private inference, and [now allows](#) autonomous agents to generate API keys tied to onchain wallets, which lowers switching costs for developers and makes machine-native usage more plausible.

We think the more important question for VVV is **whether usage translates into sustained supply absorption**. VVV's economics are notable because adoption can reduce effective float through both ordinary staking and DIEM-backed lockups, while [emissions have already stepped down](#) over time. Roughly 68% of VVV's circulating supply is staked, and that ratio has remained stable since October despite ongoing emissions, suggesting that the token is increasingly being shaped by usage-linked lockups rather than purely narrative-driven demand (Chart 7).

**Chart 7. ~68% of VVV circulating supply is staked**

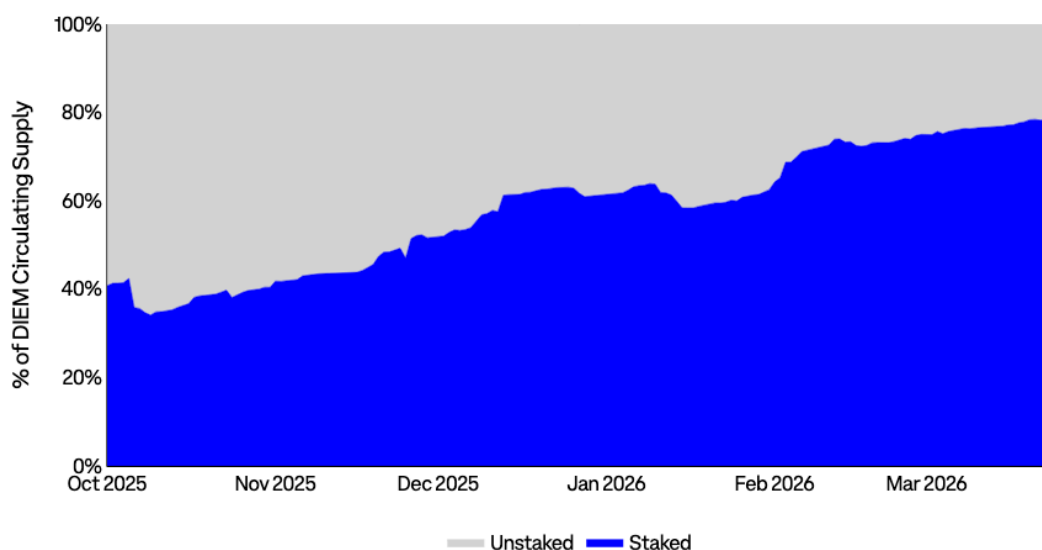


Sources: Dune(@jdhyper), Glassnode and Coinbase.

**The next question is whether users remain inside the Venice economy once that capital is locked.** Here, DIEM is important because it turns staked VVV into a reusable internal unit of compute access rather than a passive

yield instrument. DIEM staking as a share of circulating supply has more than doubled since October 2025 (Chart 8), which suggests deeper retention and greater embeddedness of the Venice credit layer over time. We think that is a constructive signal, though it should be interpreted carefully: it is stronger evidence of ecosystem stickiness than of end-demand for inference by itself. Consequently, we think VVV remains a narrower and more execution-sensitive asset than TAO or VIRTUAL. TAO benefits from broader subnet competition, and VIRTUAL benefits from ecosystem-level coordination effects, whereas VVV is more directly exposed to Venice-specific API demand, DIEM usage, and the platform's ability to retain developer and agent order flow.

**Chart 8. DIEM staking as a share of circulating supply has more than doubled since October 2025**



Sources: Dune(@jdhyper) and Coinbase.

### Conclusion

NVIDIA's GTC 2026 helped validate the demand side of the AI agent story by pushing the industry conversation toward inference, reasoning, and persistent agents. But if agents are going to transact, hire, coordinate, and settle value at scale, they will need financial rails built for software rather than for humans. That is where crypto's role becomes more important. In our view, the investable opportunity is in the set of payment, wallet, coordination, and verification systems that turn autonomous software into a first-class economic participant.

**That also means value capture is unlikely to be uniform across the stack.** In our view, the foundational rails likely remain the most durable part of the

theme because they monetize recurring machine activity through settlement, payments, and wallet infrastructure. Higher up the stack, coordination and integrity layers may offer greater upside, but they also carry more execution and ecosystem risk. That is why we think the right framework is to separate the theme into who moves value, who routes value, and who proves value was created.

Base, USDC, and wallet infrastructure matter because they enable the flow itself. VIRTUAL matters because it sits closer to service discovery and agent commerce. TAO matters because it is building the incentive layer for decentralized intelligence. And VVV matters because it is one of the clearest attempts to financialize inference demand directly. In that sense, the real opportunity is not a single "AI token," but the emerging financial architecture for machine-native commerce.

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